

**State of Louisiana
Office of Financial Institutions
Baton Rouge, Louisiana**

Unlicensed Mortgage Loan Transaction Checklist

Pursuant to the provisions of LSA-R.S. 6:1087 B. (10)

When seeking approval to engage in four or fewer exempt residential mortgage loan transactions per calendar year, please reference this checklist and provide the following with your correspondence:

IMPORTANT: Pursuant to LSA-R.S. 6:1087 (B)(10), requests to engage in an unlicensed residential mortgage activity MUST be made PRIOR to contracting with the consumer for the loan.

- 1) If you are the broker, you must provide the names, addresses, phone numbers, and contact persons (originator) involved in the loan transaction for both the broker AND lender. (Please note that the lender must be approved to engage in residential mortgage lending activity in Louisiana).**
- 2) If you are the lender, you must provide the names, addresses, phone numbers, and contact persons (originator) involved in the loan transaction for both the lender AND broker. (Please note that the broker must be approved to engage in residential mortgage lending activity in Louisiana).**
- 3) Name(s), address, and phone number of borrower.**
- 4) Address of the property involved in the loan transaction.**
- 5) Cashier's Check or Money Order in the amount of \$100 per loan transaction. *If you forward a company or personal check to pay for this transaction allow for 14 business days to process.***
- 6) Brokers MUST submit a Mortgage Loan Origination Agreement- Sample is enclosed as a guide. LSA R.S. 6:1098(B) of the Residential Mortgage Lenders Act states the mortgage broker must provide the prospective borrower with a written "Mortgage Loan Origination Agreement" no later than three days after the initial loan application date.**

Once all items on checklist are complete, send documentation to the following address:

**Office of Financial Institutions
P.O. Box 94095
Baton Rouge, LA 70804-9095
Attn: RML**

or

**Office of Financial Institutions
8660 United Plaza Blvd. 2nd Floor
Baton Rouge, LA 70809
Attn: RML**

Once your request is approved, we will issue an approval letter to you. Once the loan closing is final, please forward a copy of the Mortgage Loan Origination Agreement (from brokers), the HUD 1 Settlement Statement, Truth-In-Lending Statement, Good Faith Estimate, and a copy of the loan application to this Office.

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
Baton Rouge, Louisiana**

Limits on Fees and Charges

Although you maybe exempt from licensure, terms of closed and fixed term federally related mortgage loans that you make secured by Louisiana residential real estate are still governed by the Residential Mortgage Lending Act. The following limitations apply:

- 1) No mortgage broker shall assess, contract for, or receive any type of fee, interest, or other charge in advance, except for the actual cost of any appraisal, title search, or credit reports.
- 2) Any portion of an advance expense deposit taken, which exceeds the actual cost, must be either refunded to the borrower or applicant or credited to the account at the time of closing.
- 3) Prepayment penalties are limited as follows:
 - 5% of the unpaid principal if prepaid during first year.
 - 4% of the unpaid principal if prepaid during second year.
 - 3% of the unpaid principal if prepaid during third year.
 - 2% of the unpaid principal if prepaid during fourth year.
 - 1% of the unpaid principal if prepaid during fifth year.

*No prepayment penalties may be collected after the fifth year of the loan term.

- 4) NSF charges are limited to the greater of 5% of the amount of the check or \$25.00
- 5) The maximum annual percentage rate allowed on a residential mortgage loan is the greater of either 21 percent or 15 percentage points above the Federal Reserve Discount Rate published on the first business day of January or July in the year the loan was originated.
- 6) A late fee in the amount of 5% of the unpaid amount assessed for nonpayment of the loan or any installment or part of the loan after the loan or installment of principal or interest has become delinquent and is not timely paid.
- 7) The costs of collection and any reasonable attorney fees not in excess of 25% of the unpaid debt after default, when the debt has been referred to an attorney for collection.

SAMPLE MORTGAGE LOAN ORIGINATION AGREEMENT

UNITED FEDERAL AMERICAN MORTGAGE, INC.
2200 Mortgage Blvd., Suite 200
Baton Rouge, LA 70737
(225) 555-1212

United Federal American Mortgage, Inc. (UFAM) is a Louisiana corporation incorporated June 24, 1995, and began operations as a mortgage loan broker on _____. UFAM is a wholly owned subsidiary of JVF Corp., Inc. and an affiliate of JVF Settlement Enterprises and JVF Collections, Inc. JVF Settlement Enterprises will provide settlement services. UFAM is doing business under no other names.

This agreement is made and entered into on _____ DATE by and between **UFAM** with its principal place of business located at **2200 Mortgage Blvd., Suite 200, Baton Rouge, LA 99999** hereinafter referred to as "**Broker**," and the below signed applicant(s) hereinafter referred to as "**Borrower**."

SERVICES TO BE PERFORMED:

Broker agrees to perform all mortgage loan broker services normally and customarily performed in connection with the origination of mortgage loans but not limited to the services described below. **Broker** and **Borrower** both agree that under this Agreement, **Broker** is providing mortgage loan brokering services on behalf of **Borrower** as **Borrower's** agent.

- (a) taking information from the borrower and filling out the application;
- (b) analyzing the prospective borrower's income and debt and pre-qualifying the prospective borrower to determine the maximum mortgage that the prospective borrower can afford;
- (c) educating the prospective borrower in the home buying and financing process, advising the borrower about the different types of mortgage loan products, and demonstrating how closing costs and monthly payments would vary under each product;
- (d) collecting financial information (tax returns, bank statements) and other related documents that are part of the application process;
- (e) initiating/ordering VOEs and VODs;
- (f) initiating/ordering requests for mortgage and other mortgage loan verifications;
- (g) initiating/ordering appraisals;
- (h) initiating/ordering inspections or engineering reports;
- (i) providing disclosures (truth in lending, good faith estimate, others) to the borrower;
- (j) assisting the borrower in understanding and clearing credit problems;
- (k) maintaining regular contact with the borrower, realtors and mortgage lender, between application and closing to apprise them of the status of the application and to gather any additional information as needed;
- (l) ordering legal documents;
- (m) determining whether the property was located in a flood zone or ordering such service; and
- (n) participating in the mortgage loan closing.

OTHER SERVICES, DUTIES OR OBLIGATIONS

COMPENSATION

Compensation for **Broker's** services rendered on behalf of **Borrower** shall be equal to _____% of the principal loan amount with said fees to be paid directly to **Broker** from the loan proceeds at the time of settlement. This fee is not imposed by the mortgage lender; however, it may be disclosed by the mortgage lender in connection with other services. In addition to the broker fee paid to **Broker** by **Borrower** at settlement, **Broker** may receive additional amounts from the mortgage lender such as servicing release fees or yield spread premiums based on the difference in the Lender's wholesale rates and the retail note rate paid by the **Borrower** on the mortgage loan.

If the mortgage loan is denied or does not close by the expiration of this contract, said **Borrower** is only liable for actual expenses incurred for the appraisal, credit check and title search.

DUTIES OF APPLICANT

Borrower agrees to provide **Broker** true, complete and accurate information upon request and to pay all fees required pursuant to this Agreement. **Borrower** must obtain upon request any information or documentation that **Broker** cannot obtain due to policies of various employers, lending institutions, government agencies, etc. **Borrower** must pay for any and all costs of obtaining payoff balances, verifications, recordations and cancellations. **Borrower** further agrees to pay all third party fees incurred in connection with the mortgage loan. Such fees shall be disclosed on the Borrower's Good Faith Estimate of Settlement Charges (GFE) to the extent known by **Broker** at the time of application. **Broker** will advise **Borrower** of all material changes in the original application, the reason for the changes, and the effect of the changes in the proposed loan payment, term or rate. A revised GFE will be provided to **Borrower** if there are material changes in the information disclosed on the original GFE.

TERM

The original term of this agreement shall be from date signed until the date of loan closing, but no later than 30 days from the date of this agreement.

AFFIRMATION BY BORROWER

This agreement contains the entire agreement between **Broker** and **Borrower** and supersedes all prior agreements or understandings relating to the subject matter thereof. There are no written or oral agreements between the parties other than set forth in this agreement.

By signing below, the **Borrower** acknowledges receipt of this Mortgage Loan Brokerage Agreement and Disclosure Statement.

Originator's Signature **Date**

Borrower's Signature **Date**

Type Originator Name **License #**

Borrower's Signature **Date**

Originator's Street address **City**

State **Zip** **Telephone Number**

☐ Original for broker

☐ Copy for borrower